

Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-05 H-01 INR-10
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AMCONSUL NAPLES UNN
AMCONSUL TRIESTE UNN
AMCONSUL GENOA UNN
AMCONSUL PALERMO UNN
AMCONSUL FLORENCE UNN

C O N F I D E N T I A L SECTION 1 OF 2 MILAN 0991

EO 11652: GDS
TAGS: PINT IT
SUBJECT: MILAN REACTION TO LEONE RESIGNATION

1. SINCE LEONE'S RESIGNATION WE HAVE SPOKEN WITH DOZEN LEADING
MILAN POLITICIANS AND JOURNALISTS TO ASK HOW AND WHY THEY
THOUGHT LEONE IMPELLED TO RESIGN AND WHAT IMMEDIATE FUTURE HELD.

2. JUST ABOUT EVERYONE AGREED THAT IT WAS PCI WHICH HAD
FORCED LEONE'S RESIGNATION, WITH DC GOING ALONG UNCOMPLAININGLY,
EVEN GRATEFULLY. GIORNALE EDITOR INDRO MONTANELLI SAID PCI FELT
THAT, AFTER DISCOURAGING ELECTION AND REFERENDA RESULTS, PARTY
WAS LESS IN CONTROL OF SITUATION AND RISKED LOSING CREDIBILITY WITH
RANK AND FILE AND BEING OUTLANKED BY ELEMENTS ON ITS LEFT.
PCI MILAN CITY SECRETARY AUGUSTO CASTAGNA MADE SIMILAR POINT.
PCI, HE SAID, HAD COME OUT OF RECENT
ELECTIONS CONVINCED THAT UNSETTLED ATMOSPHERE IN WHICH THEY
OCCURED HAD COST PARTY DEARLY. THUS PCI WANTED RID OF LEONE
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FAST. OTHERWISE HE WOULD HAVE CONTINUED TO ATTRACT CHARGES
OF CORRUPTION AND ACT AS LARGE DISTRACTION OVER COMING MONTHS
FOR PARTIES WHICH ALREADY HAD THEIR HANDS FULL IN HOLDING
GOVERNMENT TOGETHER. THAT WOULD NOT ONLY THREATEN GOVERNMENT
BUT, IF ELECTIONS OCCURED IN EARLY 1979 AFTER 6 MONTH PERIOD DURING
WHICH DISSOLUTION OF PARLIAMENT CONSTITUTIONALLY IMPOSSIBLE,
WOULD HAVE PUT PCI AT SEVERE DISADVANTAGE IN CASTAGNA'S VIEW.

3. BERLINGUER, ACCORDING TO SEVERAL, HAD OPPOSED LEONE'S FORCE-OUT BUT WAS VOTED DOWN. SOCIALIST COLUMNIST GIORGIO GALLI SAID THAT WAS MOST CREDIBLE VERSION TO HIS MIND, AND DC LOMBARDY REGIONAL PRESIDENT CESARE GOLFARI EXPLAINED THIS AS DEFEAT WITHIN PCI OF BERLINGUER'S "RATIONAL GROUP" BY MORE LEFT WING, ROMANTIC ELEMENT TYPEIFIED BY PAJETTA. PCI SECRETARY CASTAGNA DISSENTED, SAYING HE UNDERSTOOD THAT PCI LEADERSHIP HAD BEEN UNANIMOUS THAT LEONE MUST GO.

4. WHAT HAD BEEN DC ROLE IN ALL THIS? CONSENSUS WAS THAT DC HAD AT LEAST ACQUIESED IN LEONE RESIGNATION WITH SOME - LIKE MONTANELLI AND CORRIERE COLUMNIST LEO VALIANI - SMELLING DC-PCI DEAL TO ELECT DC CANDIDATE, DEAL WHICH VALIANI HOWEVER THOUGHT WOULD BE HARD TO ENFORCE DURING SECRET PRESIDENTIAL BALLOTING. SOCIALISTS TENDED TO THINK DC HAD BEEN MORE ACTIVE DURING WHOLE AFFAIR, CITING LEFT WING ABASE FACTION WITHIN DC AS PARTICULARLY KEEN ON LEONE DISMISSAL ALTHOUGH RIGHT WING DE-CAROLIS WAS ONE OF FIRST DC LEADERS TO CALL ON LEONE TO STEP DOWN.

5. MOST INSISTENT SOCIALIST PROPONENT OF DC-PCI COLLUSION WAS MILAN CITY GIUNTA MEMBER PAOLO PILLITTERI WHO IS ALSO MARRIED TO CRAXI'S SISTER. PILLITTERI CHARGED PSI WAS DOUBLE-CROSSED BY OTHER TWO PARTIES, CRAXI HAVING BEEN TOLD BY THEM ONLY DAYS AGO THAT LEONE SHOULD STAY AND THAT ALL THREE PARTIES SHOULD AVOID MAKING ISSUE OF ACCUSATIONS AGAINST HIM. ON CONFIDENTIAL

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STRENGTH OF WHICH, SAID PILLITTERI, CRAXI EVEN MADE STATEMENT TO PRESS IN LEONE'S DEFENSE. PILLITTERI WAS CONVINCED THAT CULPRIT NOT JUST PCI BUT DC AS WELL, BOTH CONSPIRING TO DO IN THEIR PSI COLLEAGUES.

6. EVEN FARTHER OFF ON SAME TANGENT WAS ANTONANGELO PINNA, DEPUTY EDITOR OF PANORAMA AND FORMER US CORRESPONDENT. HE TOLD US PSI HAD CONSCIOUSLY PROVOKED LEONE AFFAIR IN ORDER TO SET STAGE FOR EARLY ELECTIONS BY ELIMINATING PERIOD WHEN PARLIAMENT COULD NOT BE DISSOLVED AND CAUSING MORE TROUBLE FOR PCI.

7. LOOKING AT PLAY FROM OTHER END OF FIELD, CORRIERE DELLA SERA'S CATHOLIC EDITOR FRANCO DI BELLA TOLD US WHOLE AFFAIR WAS SOCIALISTS' FAULT. CRAXI AND COMPANY, RIDING HIGH ON CREST OF RECENT ELECTIONS AND REFERENDA, HAD EXPLOITED ESPRESSO ARTICLES ON LEONE TO TRY TO OUTFLANK PCI ON LEFT ON PROBITY ISSUE, CAUSING COMMUNISTS FINALLY TO REACT. THIS WAS A VIEW SUBSTANTIALLY SHARED BY DC REGIONAL PRESIDENT GOLFARI AS WELL.

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8. WHO WILL BE NEXT PRESIDENT? AGREEMENT CENTERED ON ZACCAGNINI AS FRONT RUNNER THROUGH SEVERAL MADE POINT THAT, IN INTENSE HORSETRADING THAT IS SURELY TO COME, MUCH IS POSSIBLE. ALTHOUGH MOST OF OUR NON-SOCIALIST CONTACTS THOUGHT PSI AT LEAST SEMI-SERIOUS ABOUT PROPOSAL OF SOCIALISTS AS PRESIDENT - OR, IF THAT FAILED, AS PRIME MINISTER - SOCIALISTS THEMSELVES TENDED TO BE MORE MODEST. EVEN IF CRAXI COULD GET ELECTED PRIME MINISTER, SAID PILLITTERI, WHAT GOOD WOULD IT DO WITHOUT VOTES IN PARLIAMENT TO BACK HIM UP. IT WAS GOOD INTERNAL PSI MANOEUVRE, NONETHELESS, SAID MILAN PSI POLITICO ATTILIO SCHEMMARI. IT WAS OPPORTUNITY FOR PSI TO TAKE POSITION CLEARLY DISTINCT FROM THAT OF PCI AND DC, AND WAS ONE OF REASONS SOCIALISTS WERE MORE UNITED NOW THAN IN LONG TIME, A VIEW SHARED BY PILLITTERI.

9. ONLY PERSON TO BRING UP POSSIBILITY OF PCI CANDIDATE WAS PCI SECRETARY WHO CONCEDED IN NEXT BREATH THAT COMMUNIST PRESIDENT OF REPUBLIC WAS UNREALISTIC PROPOSAL IN HERE AND NOW.

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10. WITH REGARD TO PARTIES' TERMS OF AGREEMENT ON NEW PRESIDENT, VALIANI WAS CERTAIN THAT SINE QUA NON FOR PCI APPROVAL WAS PROMISE

THAT PRESIDENT WOULD NOT DISSOLVE PARLIAMENT AND CALL EARLY ELECTIONS. HE AND OTHERS ALSO FELT EARLY ELECTIONS WERE JUST WHAT SOCIALISTS WANTED THOUGH PSI WOULD NO DOUBT AGREE NOT TO PRESS FOR THEM IF SOCIALIST WERE MADE PRESIDENT. WHETHER DC WANTED EARLY ELECTIONS DEPENDED ON WHOM YOU TALKED TO. DC HARDLINERS - SUPPORTED ENTHUSIASTICALLY BY MONTANELLI - TENDED TO FAVOR THEM WHILE GOLFARI AND HIS BASE FACTION DID NOT.

11. ON BASIS OF OUR CONVERSATIONS, WE FORMULATE FOLLOWING OBSERVATIONS THAT REFLECT SUM OF LOCAL OPINION WE HAVE HEARD:

A. MOST STRAIGHT-FORWARD AND MOST ACCEPTED VERSION OF INSTIGATION OF LEONE RESIGNATION HERE IS THAT PCI LEADERSHIP, PUTTING BERLINGIERI IN MINORITY POSITION, DECIDED THAT PARTY COULD NOT CONTINUE, IN WAKE OF RECENT ELECTORAL DEFEATS, TO LEAVE ITSELF OPEN TO CHARGES OF COVER-UP FOR CORRUPT DC PRESIDENT AND HAD INSTEAD TO REGAIN INITIATIVE IN VITAL AREA OF PUBLIC PROBITY.

B. PCI MUST HAVE MADE DECISION IN FULL VIEW OF RISK OF COLLAPSE OF PRESENT GOVERNMENT MAJORITY IN WHICH IT IS INCLUDED AND EARLIER-THAN-EVER NATIONAL ELECTIONS, PREFERRING THAT RISK TO DANGER OF GROWING SOCIALIST AND OTHER ACCUSATIONS OF DO-NOTHINGNESS AND MAYBE EVEN INVOLVEMENT IN LEONE AFFAIR.

C. LONGSTANDING PREDICTION BY OPPONENTS OF PRESENT ANDREOTTI MAJORITY THAT PCI WAS WAITING FOR LAST SIX MONTHS OF LEONE'S TERMS TO FORCE THEIR WAY INTO GOVERNMENT DURING PERIOD WHEN IMPOSSIBLE TO DISSOLVE PARLIAMENT HAS PROVED INACCURATE.

D. SOCIALISTS ARE MOST UNPREDICTABLE ELEMENT IN SEARCH FOR CONFIDENTIAL

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AGREEMENT ON NEW PRESIDENT. THEY ARE BENT ON ASSERTING THEIR INDEPENDENCE OF BOTH DC AND PCI, APPEAR TO WANT EARLY ELECTIONS BECAUSE OF THEIR RECENT SUCCESSES, AND SEEM ENTIRELY READY - EVEN UNDER CRAXI'S INCREASINGLY STRONG LEADERSHIP - TO ATTACK PCI FROM LEFT BY TAKING FAR LEFT POSITIONS SUCH AS THEIR AMBIGUOUS POSITION ON RECENT SECURITY LAW REFERENDUM.

E. ALTHOUGH DC PRESIDENT STILL APPEARS PROBABLE, SOCIALIST OR AT LEAST NON-DC CANDIDATE WOULD HAVE ADVANTAGE - FROM VIEWPOINT OF PCI AND LEFT WING OF DC - OF MOLLIFYING PSI INTO REFRAINING FROM TRYING TO BRING DOWN GOVERNMENT AND CAUSE NEW ELECTIONS.FINA

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